

Message Text

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44

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 XMB-07 OPIC-12 OMB-01 TRSE-00

CIAE-00 INR-11 NSAE-00 RSC-01 AID-20 DRC-01 /090 W

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R 301415Z JUL 74

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 5361

INFO AMCONSUL ISTANBUL

USDOC WASHDC

UNCLAS ANKARA 6045

E.O. 11652: N/A

TAGS: EGEN, TU

SUBJ: YSE MACHINERY AND EQUIPMENT RENEWAL PROJECT

REQUEST FOR PROJECT FINANCING

DEPARTMENT PASS EXIMBANK

REF: A. ANKARA A-190, OCTOBER 26, 1973;

B. STATE 13068; C. ANKARA 1919 THROUGH 1926;

D. ANKARA 3073; E. ANKARA 3384; F. ANKARA 5658

1. AHMET TUFAN GUL, SECRETARY GENERAL OF TREASURY DEPARTMENT, MINISTRY OF FINANCE, SENT LETTER JULY 26 TO AMBASSADOR REQUESTING U.S. FINANCING FOR DIRECTORATE GENERAL ROAD, WATER, ELECTRICITY (YSE), MINISTRY OF VILLAGE AFFAIRS AND COOPERATIVES FOR MACHINERY AND EQUIPMENT RENEWAL PROJECT. PORTION OF PROJECT NOW BEING CONSIDERED BY YSE VALUED AT \$37 MILLION. TENDERS HAVE ALREADY BEEN ISSUED EARLY MAY 1974(SEE REF C). MINISTRY INFORMS EMBASSY THAT U.S. SUPPLIERS HAVE SUBMITTED BIDS FOR ONLY ABOUT HALF OF EQUIPMENT TO BE IMPORTED, AND NO BIDS WERE RECEIVED FROM U.S. FIRMS ON THE OTHER HALF. THEREFORE, MOF ONLY REQUESTING FINANCING FROM U.S. FOR APPROXIMATELY \$19 MILLION. IN OTHER WORDS, MOF IS APPLYING TO U.S. GOVERNMENT FOR "PROJECT CREDIT" AMOUNTING TO 100 PERCENT ESTIMATED VALUE OF EQUIPMENT BID BY U.S. FIRMS. OTHER COUNTRIES WHOSE SUPPLIERS HAVE SUBMITTED BIDS HAVE ALSO RECEIVED SIMILAR LETTER FROM TUFAN GUL. FINAL UNCLASSIFIED

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SELECTION OF SUPPLIER WILL DEPEND ON EVALUATION OF TECHNICAL BIDS

AND ALSO EVALUATION OF PROJECT CREDIT OFFERED. MOF REQUESTS
USG RESPOND TO THIS REQUEST BY AUGUST 10. IF ANSWER AFFIRMATIVE,
MOF WISHES TO KNOW WHAT TERMS WOULD BE OFFERED. IF NO RESPONSE
RECEIVED BY AUGUST 10, MOF WILL ASSUME NO PROJECT CREDIT IS
OFFERED BY USG.

2. U.S. SUPPLIERS HAVE SUBMITTED BIDS AS FOLLOWS: (A) TENDER
FOR 67 (20 TONS) TRUCKS--MACK TRUCK, INC. COMPETITORS: FIAT
GRUPPO VEICILI OF ITALY; A.B. VOLVO OF SWEDEN. (B) TENDER
FOR 300 AIR COMPRESSORS--WORTHINGTON CEI, INC. (SEE REF F).
COMPETITORS: SOMITOMO, JAPAN, ATLAS COPCO, BELGIUM; DRAKE
(UK) INTERNATIONAL, ENGLAND, INGERSOLL RAND, ENGLAND/ITALY. (C)
TENDER FOR 163 MOTOR GRADERS--GALION INTERNATIONAL USA. COMPETIORS:
DOMINION ROAD OF CANADA, FRISCH GMBH, GERMANY. (D) TENDER
FOR 40 TRACTOR TRUCKS--MACK TURCK. COMPETITORS: FIAT, ITALY;
VOLVO, SWEDEN.

3. IN ABSENCE OF U.S. "PROJECT CREDIT", IT WILL BE DIFFICULT
OR IMPOSSIBLE FOR AMERICAN FIRMS TO COMPETE AGAINST CONSORTIUM
TYPE PROJECT CREDIT THAT MAY BE OFFERED TO MOF BY EUROPEAN
COUNTRIES.

4. ACTION REQUESTED: EMB BELIEVES THIS GOOD OPPORTUNITY TO
ASSIST U.S. SUPPLIERS BY SPECIAL EFFORT ON PART OF EXIMBANK
TO PROVIDE 100 PERCENT FINANCING. EVEN IF THIS IS NOT POSSIBLE,
EMB SUGGESTS THAT EXIMBANK IN ANY EVENT SENT TELEX DIRECTLY TO MOF
OUTLINING WHAT IT IS PREPARED TO DO TO ASSIST FINANCING NEEDS
THIS PROJECT. PLEASE SEND EMB COPY OF EXIMBANK ANSWER
TO TUFAN GUL. MACOMBER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION EQUIPMENT, HIGHWAYS, BANK LOANS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ANKARA06045
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740206-1163
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974078/aaaaagcj.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: A. ANKARA A-190, OCTOBER 26, 1973;
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 OCT 2002 by ThomasVJ>; APPROVED <29-Oct-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YSE MACHINERY AND EQUIPMENT RENEWAL PROJECT REQUEST FOR PROJECT FINANCING
TAGS: EGEN, TU, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005